

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016 / 2017 SESSION

DEC5038 – ENTREPRENEURSHIP
(For Diploma Students Only)

04 MARCH 2017
2.30 pm – 4.30 pm
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 10 pages with 3 sections.
2. For section A and B, shade your answers in the OMR sheet provided.
3. For section C, write your answers in the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1.5 marks). Answers for this section should be shaded on the OMR sheet provided.

1. Entrepreneurs typically possess _____.
 - A. the ability to easily access capital
 - B. a set of unique skills that is usually accompanied by advanced degrees in several areas
 - C. a high level of commitment, have a tolerance for ambiguity, are flexible and tenacious
 - D. specialized technical abilities

2. The demographic attributes of successful entrepreneurs are _____.
 - A. limited to specific ages, genders, and ethnic backgrounds
 - B. uncertain and have not been fully studied or analyzed
 - C. are key predictors that determine how long the business will survive
 - D. highly diverse relating to age, gender, and ethnicity

3. Entrepreneurial couples who work together as co-owners of their business are referred to as _____.
 - A. dual entrepreneur
 - B. corporate dropouts
 - C. corporate cast-offs
 - D. copreneurs

4. One hallmark of successful entrepreneurs is the ability to _____.
 - A. be willing to gamble
 - B. fail intelligently
 - C. overlook past successes
 - D. repeat the same mistakes

5. The ability to develop new ideas and to discover new ways of looking at the problems and opportunities is called _____.
 - A. entrepreneurship
 - B. innovation
 - C. creativity
 - D. creative thinking

Continued...

6. Which hemisphere of the brain responsible for language, logic, and symbols?

- A. Right hemisphere.
- B. Left hemisphere.
- C. Lateral hemisphere.
- D. Intuitive hemisphere.

7. _____ is a graphical technique that encourages thinking on both sides of the brain, visually displays the various relationships among the ideas, and improves the ability to view a problem from many sides.

- A. Brainstorming
- B. Mind mapping
- C. Prototyping
- D. Groupthink

8. The “theory of inventive problem solving” is a left-brained, scientific, systematic process based on innovative patents and is referred to as _____.

- A. JIT
- B. Force-field analysis
- C. TQM
- D. TRIZ

9. The process of determining whether an entrepreneur’s idea is viable foundation for creating a successful business is known as a _____.

- A. business plan
- B. strategic analysis
- C. industry analysis
- D. feasibility analysis

10. The internet is an example of a _____ force.

- A. economic
- B. technological
- C. demographical
- D. sociocultural

Continued...

11. Low capital requirements, cost advantages that are not related to company size, and the lack of brand loyalty are considerations regarding the _____.

- A. threat of new entrants to the industry
- B. threat of substitute products
- C. bargaining power of buyers
- D. rivalry among companies competing in the industry

12. Time out of cash is relevant to _____ analysis.

- A. strategic
- B. business model
- C. business plan
- D. financial feasibility

13. Kentucky Fried Chicken is an example of a _____ franchise.

- A. conversion forms
- B. trade name
- C. product distribution
- D. pure

14. Which of the following is NOT the benefits of franchising?

- A. management training and support.
- B. brand name appeal and standardization of goods and services.
- C. national advertising exposure and financial assistance.
- D. Limited product line.

15. A method of franchising that gives the right to create a semi-independent organization in a particular territory is a _____ franchise.

- A. conversion
- B. master
- C. product distribution
- D. area development

Continued...

16. The principle of putting a franchise's products or services directly in the paths of potential customers with smaller, less expensive outlets is called _____.

- A. master franchise
- B. area development
- C. cobranding
- D. intercept marketing

17. A franchise myth is that _____.

- A. the owner needs to be hands on
- B. the franchise will only expect to be paid when the franchisee is profitable
- C. once the franchise is open, the franchisee has autonomy to run the business in their own way
- D. franchise fail at a rate higher than independent owned business

18. An important part of any e-commerce effort is _____.

- A. the use of current technology and its successful implementation
- B. the ability to understand the underlying business and to develop a workable business model
- C. to have a site that is fast and dependable
- D. to have high traffic to the site, regardless of the customers' interest in what the site offers

19. The entrepreneurs who are providing to be the most successful in e-commerce are those who know how _____.

- A. their industries works, inside and out
- B. technology works inside and out
- C. to run a profit
- D. to effectively finance their e-commerce effort

20. Which of the following is **NOT** a common reason customers leave Web sites before checking out?

- A. Total shipping charges were too high.
- B. The shopping cart was too hard to find.
- C. The site did not appear trustworthy.
- D. The privacy policy was not posted.

Continued...

21. A valuable method of preventing online fraud is to _____.

- A. ask customer for their card verification value
- B. not accept credit cards
- C. run background checks on customers
- D. not verify large orders

22. _____ is an application that link a smart phone or tablet to credit or debit card, transforming the device into a digital wallet.

- A. Trade credit
- B. Instalment credit
- C. Debit card
- D. Mobile wallets

23. One of the most important determinants of customers' responds to a price is whether they perceive the price to be fair exchange _____.

- A. compared to what they have paid in the past
- B. regardless of their actual experience with the product
- C. for the value they receive from the product or service
- D. based on their expectation, not reality

24. Once a company has invested time and money developing a unique new product, to recoup some of the high R&D costs, they will likely use a _____ pricing strategy.

- A. skimming
- B. penetration
- C. discount
- D. life cycle

25. One key to setting prices properly is based on understanding a company's _____.

- A. buying power
- B. competitive position
- C. target market
- D. cost structure

Continued...

26. It has been reported that the use of credit cards increases the _____ of customer spending.

- A. probability
- B. speed
- C. magnitude
- D. All of the above

27. _____ represents the personal investment of the owner in the business.

- A. Equity capital
- B. Debt capital
- C. Personal savings
- D. Equity financing

28. Which of the following represent the large single source of external equity capital for small business?

- A. Venture capitalist.
- B. Stock market.
- C. Angels.
- D. Partners.

29. A _____ is an agreement with a bank that allows a small business to borrow up to a predetermined specified amount during the year without making an application each time.

- A. term loan
- B. factor
- C. line of credit
- D. floor plan

30. For small businesses, _____ are the very heart of the financial market, providing the greatest number and variety of loans to small companies.

- A. commercial banks
- B. factors
- C. commercial finance companies
- D. credit unions

[TOTAL 45 MARKS]

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SECTION B: TRUE/FALSE QUESTIONS (each question carries 1 mark).

Answers for this section should be shaded on the OMR sheet provided.
Shade "A" for the TRUE statement and "B" for the FALSE statement.

31. Social entrepreneurs use their skills to create profitable business and also achieve economic, social and environmental goals for the common good.
32. A major advantage of launching a business part-time is the lower risk it offers in case the business fails.
33. Innovation is the ability to apply creative solutions to problems and opportunities to enhance or enrich people's lives.
34. History is always a reliable predictor of the future of business.
35. Conducting primary research involves collecting data firsthand and analyzing it.
36. In designing customer surveys it is good idea to keep them short.
37. It is illegal for a franchisor to require franchisees to purchase product only from "approved suppliers".
38. The principle of placing smaller franchise units directly in the paths of potential customers is referred to as intercept marketing.
39. A good method for evaluating a franchisor's reputation is to interview existing franchise owners about the operation.
40. A key aspect of online strategy is to create it with the target audience in mind.
41. You should never offer your customers "freebies" unless they are truly valuable and expensive, otherwise you will earn a negative reputation among your customers.
42. Dynamic pricing sets different prices on the same products and services for different customers using information that a company collects about its customers.
43. Break-even pricing will determine the price that will cover total fixed costs and generate a reasonable profit.

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44. Entrepreneurs are most likely to give up more equity in their businesses in the startup phase of their companies than in any other.

45. Venture capital companies invest only in companies in the startup phase.

[TOTAL 15 MARKS]

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SECTION C: STRUCTURED QUESTIONS.**QUESTION 1**

"Entrepreneurship is a constant process that relies on creativity, innovation, and application in the marketplace"

- a) Define the following term:
 - i. Creativity. (2 Marks)
 - ii. Innovation. (2 Marks)
- b) List any **TWO (2)** creative process for entrepreneurship. (2 Marks)
- c) Identify any **FOUR (4)** barriers to creativity. (4 Marks)

QUESTION 2

- a) State any **FOUR (4)** elements of a business plan. (4 Marks)
- b) Explain the **THREE (3)** Porter's strategy. (6 Marks)

QUESTION 3

"The best form of ownership depends on an entrepreneur's particular situation".

- a) Define partnership. (2 marks)
- b) Identify **TWO (2)** types of limited partner. (2 Marks)
- c) List any **THREE (3)** advantages and **THREE (3)** disadvantages of partnership. (6 marks)

Continued...

QUESTION 4

a) Identify any **FOUR (4)** advantages of “going global”. **(4 marks)**

b) Explains any **THREE (3)** international barriers to International Trade. **(6 marks)**

[TOTAL 40 MARKS]